



**Sean Rogan**  
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

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Commissioners

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

2-D May 20, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

The Honorable Board of Commissioners  
Community Development Commission  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**APPROVE PURCHASE OF PROPERTY, EXCESS WORKERS' COMPENSATION, EXCESS  
LIABILITY, AND CRIME AND POLLUTION INSURANCE FOR THE COMMUNITY DEVELOPMENT  
COMMISSION AND THE HOUSING AUTHORITY  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This letter recommends approval of the purchase of property, excess workers' compensation, excess liability, and crime and pollution insurance for the Community Development Commission (Commission) and the Housing Authority.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the purchase of insurance is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential for causing a significant effect on the environment.
2. Approve the purchase of property, excess workers' compensation, excess liability, and crime and pollution insurance, at a premium cost not to exceed \$840,000 for the period from July 1, 2014 to June 30, 2015, brokered through Alliant Insurance Services, Inc.
3. Authorize the Executive Director, or his designee, to purchase the property, excess workers' compensation, excess liability, and crime and pollution insurance, and to make payments, as needed, for workers' compensation and general liability claims, using funds included in the Fiscal Year 2014-2015 budgets of the Commission and Housing Authority.
4. Designate the Executive Director, or his designee, as the representative for the Commission with

regard to all official matters for the California State Association of Counties Excess Insurance Authority (CSAC EIA).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to purchase property, excess workers' compensation, excess liability, and crime and pollution insurance for the Commission and the Housing Authority, under the Joint Purchase Programs created by Alliant Insurance Services, Inc. (Alliant). The proposed purchase will provide required excess coverage above the Commission and Housing Authority's self-insured retention amounts. Excess coverage limits the Commission and Housing Authority's exposure in case of substantial losses relating to liability and workers' compensation.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The total annual premium cost is anticipated to be approximately \$802,500 and will not exceed \$840,000. Insurance premiums will be funded using program dollars included for this purpose in the Commission and Housing Authority's Fiscal Year 2014-2015 budgets.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Commission and Housing Authority participate in a Joint Purchase Program provided by Alliant. The property, excess workers' compensation, excess liability, and crime and pollution insurance programs take advantage of the combined purchasing power of public agencies to obtain insurance at rates below those available individually in the insurance marketplace. These programs are underwritten by numerous insurance carriers and all are rated "A" (Superior to Excellent) by Best's Key Rating Guide. There is no sharing of limits or risk, and each participant is protected to the same extent as if separate policies had been written, with the exception of the excess workers' compensation insurance.

Excess workers' compensation insurance is provided and purchased through the CSAC EIA, which is a risk sharing pool of California public agencies. CSAC EIA requires the governing board of each member entity to designate a representative to act upon official matters such as execution of documents, receipt and administration of any risk management subsidy funds, insurance dividends or "no claim" bonus funds, and insurance premium adjustments. Any such funds will be reserved for risk management purposes.

The Joint Purchase Programs provided by Alliant offer excess liability, automobile liability, public officials errors and omissions, and employment practices liability insurance under the California Excess Municipal Liability (CAMEL) Program; as well as property insurance under the Public Entity Property Insurance Program (PEPIP). Few carriers meeting the Commission and the Housing Authority's rating requirements are prepared to offer coverage as broad as these programs. These coverages, usually purchased separately for an additional premium, are included as part of the broad master policy.

### **ENVIRONMENTAL DOCUMENTATION**

The purchase of insurance is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves

administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed insurance will provide required coverage for Commission and Housing Authority properties and activities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

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